

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 1198-01
BILL NO.: SB 473
SUBJECT: ECONOMIC DEVELOPMENT; CONTRACTS AND
CONTRACTORS.
TYPE: ORIGINAL
DATE: FEBRUARY 25, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
TOTAL ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
NONE			

TOTAL ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
	\$0	\$0	\$0

NUMBERS WITHIN PARENTHESES: () INDICATE COSTS OR LOSSES.
 THIS FISCAL NOTE CONTAINS 5 PAGES.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
NONE			
TOTAL ESTIMATED NET EFFECT ON <u>ALL</u> FEDERAL FUNDS	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
LOCAL GOVERNMENT	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

OFFICIALS FROM THE DEPARTMENT OF ECONOMIC DEVELOPMENT (DED) STATE THE BILL IMPOSES SOME ADDITIONAL DUTIES ON DED WITH REGARD TO CAPTURING INFORMATION ON TAX CREDITS AND GRANTS. DED WOULD ALSO BE REQUIRED TO DO A REPORT TO THE PRESIDENT PRO TEM OF THE SENATE AND THE SPEAKER OF THE HOUSE.

DED FEELS CHANGES CAN BE INCORPORATED INTO EXISTING PROGRAMS AND THE REPORT CAN BE PREPARED FROM INFORMATION ALREADY GATHERED. NO COSTS ARE ANTICIPATED AT THIS TIME. DED STATES THAT IF THESE ITEMS REQUIRE MORE WORK THAN ANTICIPATED, A BUDGET REQUEST COULD BE SUBMITTED IN THE FUTURE.

IN RESPONSE TO A SIMILAR PROPOSAL FROM LAST YEAR, OFFICIALS FROM THE DEPARTMENT OF REVENUE (DOR) STATED THIS PROPOSAL REQUIRES ADDITIONAL INFORMATION REGARDING THE DEPARTMENT OF ECONOMIC DEVELOPMENT CONTRACTS FOR FINANCIAL ASSISTANCE, INCLUDING TAX CREDITS. DOR ASSUMED THE PROPOSAL WOULD NOT FISCALLY IMPACT THEIR AGENCY.

<u>FISCAL IMPACT - STATE</u> <u>GOVERNMENT</u>	FY 2004 (10 MO.)	FY 2005	FY 2006
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - LOCAL</u> <u>GOVERNMENT</u>	FY 2004 (10 MO.)	FY 2005	FY 2006
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\$0

\$0

\$0

FISCAL IMPACT - SMALL BUSINESS

NO DIRECT FISCAL IMPACT TO SMALL BUSINESSES WOULD BE EXPECTED AS A RESULT OF THIS PROPOSAL.

DESCRIPTION

THIS PROPOSAL REQUIRES ADDITIONAL INFORMATION WHEN THE DEPARTMENT OF ECONOMIC DEVELOPMENT ENTERS INTO AN AGREEMENT WITH A PARTY TO PROVIDE GRANTS, LOANS, TAX CREDITS OR OTHER FINANCIAL ASSISTANCE TO THE PARTY THROUGH A PROGRAM ADMINISTERED BY THE DEPARTMENT.

THE PROPOSAL REQUIRES THAT ADDITIONAL INFORMATION ABOUT THE ECONOMIC INCENTIVE AND THE FINANCIAL OBLIGATION OF THE PARTY IF THE REQUIREMENTS OF THE AGREEMENT ARE NOT MET. THE AGREEMENT MUST ALSO LIST ANY OTHER FINANCIAL ASSISTANCE RECEIVED BY THE PARTY FOR THE SAME PROJECT. ANY PROCEEDS FROM AN ECONOMIC INCENTIVE THAT ARE RETURNED TO THE DEPARTMENT OF ECONOMIC DEVELOPMENT MUST BE USED FOR WORKER TRAINING AND RE-TRAINING PROGRAMS ADMINISTERED BY THE DIVISION OF WORKFORCE DEVELOPMENT.

THE DEPARTMENT OF ECONOMIC DEVELOPMENT MUST PREPARE AN ANNUAL REPORT TO THE PRESIDENT PRO TEM OF THE SENATE AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES THAT CONTAINS CERTAIN INFORMATION ABOUT THE ECONOMIC INCENTIVES ADMINISTERED IN THE PAST YEAR.

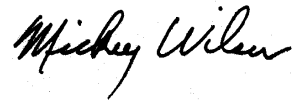
THIS LEGISLATION IS NOT FEDERALLY MANDATED, WOULD NOT DUPLICATE ANY OTHER PROGRAM AND WOULD NOT REQUIRE ADDITIONAL CAPITAL IMPROVEMENTS OR RENTAL SPACE.

SOURCES OF INFORMATION

RAS:LR:OD (12/02)

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DEPARTMENT OF ECONOMIC DEVELOPMENT
DEPARTMENT OF REVENUE

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

MICKEY WILSON, CPA
DIRECTOR
FEBRUARY 25, 2003